



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY**

**33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the August 4, 2016 Meeting of the Board

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call

Trustees Present: John Fitzgerald, Diahann Goode, Alexis Herrera, Patrick McFadden, Joseph Nevius, Dennis White, Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance and Administration; Gary LeDonne, Senior Benefit Advisor; Margaret Fahrenbach, Legal Advisor; Paul Rzeszutko, Director of Annuity Benefits; Brent Lewandowski, Senior Benefits Manager; Brenda Deming, Director, Health Benefits; Beverly Romanini, Office Manager; Courtney Hollins, Communications Manager

Others Present: Mary Pat Burns, Burke Burns & Pinelli; Mark Mesle, Active Member; Jason Parks, Loop Capital

Trustee Herrera opened the meeting for public comment. Mark Mesle, a County employee, addressed the Board and inquired about how the Fund's policy relates to the economic consequences of climate change issues when investing assets. He stated that climate change issues presented both risks and opportunities for investment and that many university endowments actively consider climate change issues when evaluating investments. President Herrera noted that Mr. Mesle had communicated with her on this topic and she suggested that he raise the issue with the Board. The Board discussed that these matters are generally within the domain of the Fund's investment managers.

1. Review and Consideration of:

a. July 7, 2016 Board Meeting Minutes

It was moved by Trustee Goode and seconded by Trustee Nevius that the minutes of the July 7, 2016 Board meeting be adopted

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

The Fund's monthly bills and payroll records were presented for the Board's approval. The trustees asked how the payee was identified when a payment was made in a prior month to settle litigation. The Board discussed that no settlements should be paid without the Board's prior approval. It was moved by Trustee McFadden and seconded by Trustee Goode that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records and in accordance with the approved administrative budget, that the payments be ratified.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

It was further moved by Trustee McFadden and seconded by trustee Goode that no settlement payments are to be paid without prior Board disclosure. Ms. Hackett added that some settlement matters are more time sensitive and could require quick action.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

b. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities, and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee Goode and seconded by Trustee White, after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald, after due consideration of the disability applications presented to the Board and having received confirmation from staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. Trustee Resolution - Nester

The proposed resolution regarding the service of Patrick Nester as a trustee was presented. It was moved by Trustee Goode and seconded by Trustee McFadden that the Board adopt the proposed resolution regarding the service of Patrick Nester during his tenure as a member of the Retirement Board.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

a. Election Update

Nickol R. Hackett, Executive Director and CIO, reported that the Fund was preparing for the 2016 trustee elections. She stated that members for a Forest Preserve Annuitant, a Cook County Annuitant and a Cook County Employee would be elected. She added that the petitions for candidates would be available to be picked from the Fund on August 18, 2016, and that the election would be held on October 26, 2016.

b. Website Update

Courtney Hollins, Communications Manager, reported that the website had not been updated since 2010 and that the purpose of the current redesign was to make it easier for users to find content through improved organization and enhanced graphics. The website would be formatted to accommodate use on large screens, tablets and mobile devices. The redesign was expected to be launched in the fall of 2016. The Executive Director said that ultimately it was planned that the website would be used as a general pre-planning tool for prospective annuitants so that the time they spent with the counselors could be devoted to the members' specific concerns.

4. Finance Report

- a. Additional Review and Approval of Forest Preserve District Third Quarter and Second Half Cash Flow

Michael Maratea, Director of Finance and Administration presented a request on behalf of the Forest Preserve District fund for the withdrawal of \$7.55 million to meet anticipated expenses through December 31, 2016. Mr. Maratea stated that the fund had received several more requests from annuitants for lump-sum refunds in the past month than is typical and its cash needs were greater than expected.

It was moved by Trustee Nevius and seconded by Trustee White that the Forest Preserve District Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$7.55 million to cover projected expenses through December 31, 2016, and that the Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

- b. Summary of Mid-Year Financials

Mr. Maratea then presented the mid-year financials of the Fund's administrative expenses. He stated that the year-to-date actual expenses were consistent with the budget approved by the Board for the current fiscal year.

5. Legal Report

- a. In the Matter of Regina Taylor – Felony Conviction

Margaret M. Fahrenbach, Legal Advisor, reported that Regina Taylor, an annuitant, had been sentenced to a felony conviction on July 12, 2016, in the United States District Court for the Northern District of Illinois. Ms. Taylor had been employed by the Cook County Recorder of Deeds and was charged with preparing a fraudulent quit-claim deed and agreeing to file it with the Recorder of Deeds. The trustees discussed that based upon the plea agreement entered by Ms. Taylor, it appeared her felony conviction was related to her service as a County employee, but that the Board would need to make a final determination before her annuity benefits would be terminated. The Board further discussed that the annuity benefits could be suspended and that it could make a final determination about whether her annuity benefits would be revoked at their meeting on September 1, 2016.

It was moved by Trustee White and seconded by Trustee McFadden that Regina Taylor be notified that the Board will determine at their meeting on September 1, 2016, whether her conviction in *USA v. Taylor*, 15 CR 568, is related to her service as a County employee and

whether her annuity benefits should be terminated. Ms. Taylor shall be notified that she may request a hearing so that she may present evidence and be represented by counsel before the Board makes a final administrative decision. It is further moved that Ms. Taylor's annuity benefits be suspended effective September 1, 2016.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

b. Proposed Findings

Ms. Fahrenbach then stated that the Fund staff had identified requests for administrative hearings made by three members that did not require referral to a hearing officer because there were no disputed factual or legal issues to be resolved. She stated that in order to complete the administrative hearing process, the Board needed to make a final agency determination regarding the members' benefits. The Fund staff had prepared Findings of Fact, Conclusions of Law and Decisions, which if entered by the Board, would conclude the administrative hearing process for the three members.

i. In the Matter of Office #147299

It was moved Trustee Goode and seconded by Trustee Fitzgerald that the Board reaffirm its earlier decision that Calvin Fields is not eligible for the duty disability benefits that he requested and that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision as a final administrative decision.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

ii. In the Matter of Office #175706

It was moved by Trustee Fitzgerald and seconded by Trustee Goode that the Board reaffirm its earlier decision that Charity Owusu is not eligible for the ordinary disability benefits that she requested and that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision as a final administrative decision.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

iii. In the Matter of Office #166940

It was moved by Trustee McFadden and seconded by Trustee Nevius that the Board reaffirm its earlier decision that Joanne Pantone is not eligible for the ordinary disability benefits that she requested and that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision as a final administrative decision.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, McFadden, Nevius, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

6. Old Business/New Business

The Executive Director stated that there was an online article in Breitbart in which the author suggested that the Fund had misreported its funded liability. She added that the author was relying about the reporting required by new GASB Rules 67 and 68 which modified the funding calculation for accounting purposes. Commissioner Suffredin read the article and had requested an explanation from the Fund. President Herrera suggested that the Fund staff prepare a letter in response to Commissioner Suffredin explaining the impact of GASB Rules 67 and 68 and that a draft of the letter be posted for the trustees to review before it was delivered. Trustees Nevius and White asked that the letter include the need for additional funding for the Forest Fund. The Board also discussed whether an separate letter regarding funding should be prepared for the Board of Commissioners for the Forest Preserve District.

The Board then congratulated Paul Rzeszutko, Director of Benefits, on his imminent retirement and thanked him for his service to the Fund.

7. Adjournment

There being no further business before the Board, it was moved by Trustee White and seconded by Trustee McFadden that the trustees adjourn the meeting.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

The next Board meeting is scheduled for September 1, 2016, at 9:30 a.m.